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Agency

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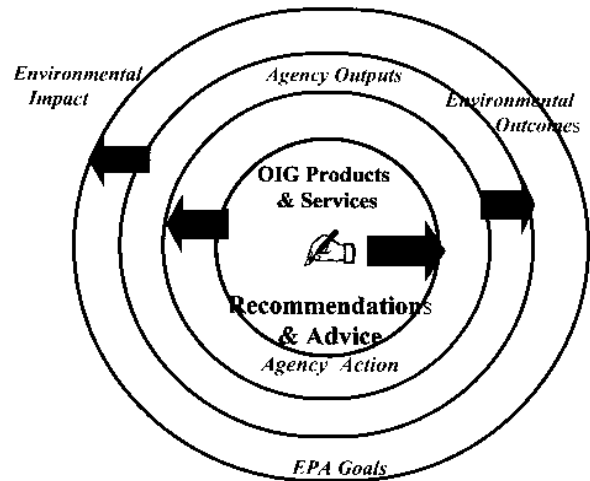


Strategic Plan

Through 2005

Linking Our Work to Outcomes and Impacts

All of our work is planned based on the anticipated value toward influencing resolution of the Agency's major management challenges, reducing risk, improving practices, program operations and saving tax payer dollars, while leading to the attainment of EPA's Strategic Goals.



Creating a Nexus or Link Between OIG Products/ Services and Environmental Impacts/Goals

“Start With the End In Mind”

Linkage of OIG Products and Services to Improve EPA Business Practices and Impacts		
<i>Audit, Evaluation, Advisory, Investigative Products & Services</i>	<i>Agency Intermediate Outcomes (Catalysts)</i>	<i>Agency Goals/Outcomes and Impacts</i>
Questioned Costs/Savings Recommendations/Opinions Advice/Analysis/Projects Indictment/Convictions Civil/Administrative Fines/Restitutions Reports/Briefings Evaluation Conclusions	Legislative Change Regulatory Change Policy Change Practice Change Enforcement Actions Industry, Grantee or State Monitoring \$s Recovered, Offset or Avoided	Improved Efficiencies Improved Effectiveness Improved Controls Increased Compliance Improved Reporting Risk Reduction Improved Environmental & Health Results/Indicators

Above is a Logic Model of how our work is planned and designed to influence Agency action, creating a nexus or linkage between OIG products and services and environmental impacts and goals.

Examples below are prospective EPA outputs and outcomes potentially resulting from Agency acceptance of our products and services. Environmental impacts and management improvements are logical extensions of actions taken on audit, evaluation, investigation, advisory products and services.		
Water & Air Quality	Safe Food & Waste Management	Asst. Agreements & Financial Mgt; Enforcement and Compliance; Sound Science and Data Quality
Increased number of watersheds restored Percentage of population with clean water Number of states with approved standards consistent with the Clean Water Act Quality of stewardship strategies - Percentage of people with healthy indoor air Number of states with good air quality	Quality of enforcement actions for timely site resolution Number of construction remedies to control risks to human health Number of sites cleaned up Number & quality of pesticides tolerance assessments and reregistrations - Percentage of people with safe food	Percentage of people with better treatment of and access to clean water Cost accounting information that is reliable and useful for decision making Better enforcement actions for better compliance and reduction of actual risk Integrity of data used for management, policy and enforcement actions

Picture on the Cover is of the Grand Tetons, Courtesy of Roland Cyr



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D. C. 20460

THE INSPECTOR GENERAL

September 29, 2000

FOREWORD

I am pleased to present the EPA-OIG's second strategic plan. This plan builds on our past accomplishments and establishes new directions for contributing to improved environmental quality and human health and for improving OIG performance. It charts our course through 2005 and demonstrates our commitment to lead by example.

Our new directions include:

- performing program evaluations*** to provide Congress and the Agency with best practices, analyses, and recommendations to address the most serious management challenges, accomplish environmental objectives, and achieve Government Performance and Results Act (GPRA) goals;
- partnering with others***, including other Federal and State auditors, evaluators, law enforcement officials and associations who also have environmental missions, to leverage our resources to attain maximum environmental benefits with available resources; and
- implementing human resource and knowledge management strategies*** that will ensure we have a diverse, highly motivated and accountable staff with the skill sets and tools needed to perform increasingly complex work.

Our employees, customers, stakeholders and partners all play critical roles in the achievement of our goals. They provided valuable insights and assistance in developing this strategic plan. We look forward to continuing to work together to achieve our mutual goal of improving environmental quality and human health.

A handwritten signature in black ink that reads "Nikki L. Tinsley".

Nikki L. Tinsley

The following page is a graphic summary of how we plan to strategically link our work and initiatives with our vision and expected outcomes.

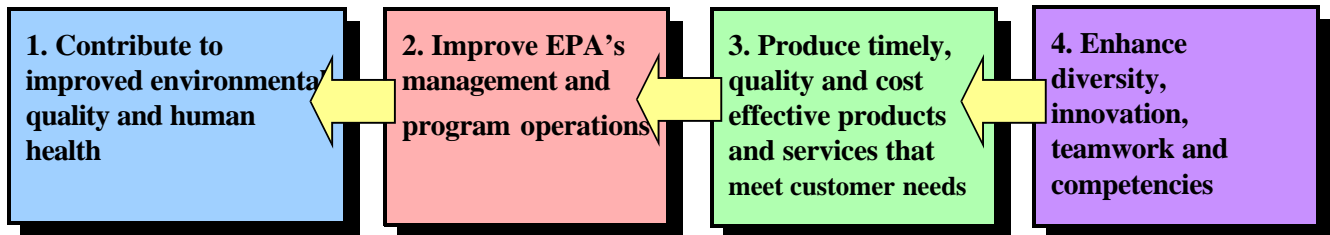
Vision

We are agents of positive change striving for continuous improvement in our Agency's management and program operations and in our own office. We contribute to environmental quality, human health, and good government through problem prevention and cooperative solutions.

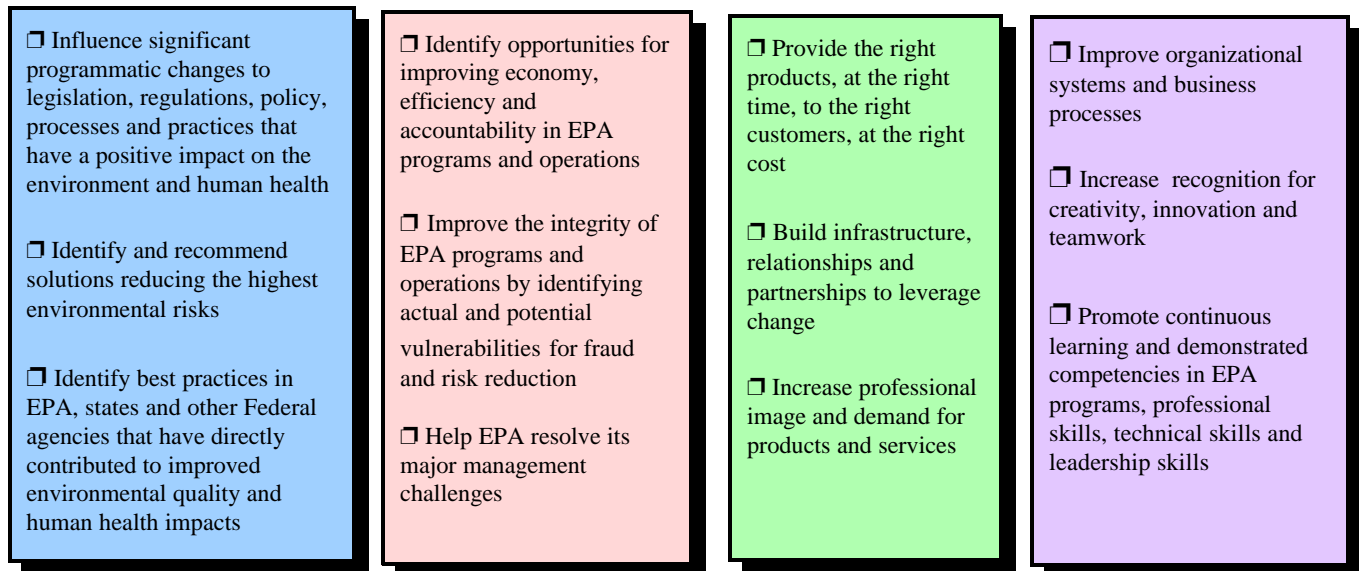
Mission

- *Promote economy, effectiveness and efficiency within the agency
- *Prevent and detect fraud, waste, and abuse in agency programs and operations

Goals



Objectives



Strategic Areas of Emphasis

1. Air
2. Water
3. Safe Food
4. Waste Management
5. International Issues
6. Environmental Data
7. Scientific Research
8. Enforcement & Compliance Assistance

1. Financial Management & Cost Accounting
2. Assistance Agreements
3. Contracts
4. Computer Security
5. Human Capital
6. Systems

1. Customer Focus
2. Partnering
3. Business Planning (product/process design)
4. Integrated Measurements (performance linkages)
5. Outcome Orientation (Begin with the end in mind)
6. Activity Based Costing (project management)

1. Human Capital (skills & development)
2. Communications (trust & understanding)
3. Organizational Realignment (matrix management)
4. Integration of High Performance Culture
5. Integrated Knowledge Information Systems

EPA Office of Inspector General Strategic Plan FY 2001 - 2005

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INTRODUCTION

Our overall goal is to provide audit, evaluation, investigative, and advisory services resulting in improved environmental quality and human health. Our employees, customers, stakeholders and partners all play critical roles in the achievement of this goal. Therefore, they were extensively involved in the development of our plan, including the development of our vision, goals, and values. We consulted with Agency managers and key Congressional staff, and met with our partners- GAO, other Federal IGs and State auditors.



Our work will contribute to good government through problem prevention and cooperative solutions. We will seek opportunities to influence positive change by developing cooperative relationships with our Agency and Congressional customers; maintaining collaborative partnerships with GAO, other Federal IGs and State auditors; and promoting the benefit of joint work to leverage more effective results. We will evaluate our overall success using a balanced scorecard of measures contributing to improving environmental quality and human health, return on budget investment, customer service, and employee innovation and competencies.

OUR VISION AND MISSION

Our Vision

We are agents of positive change striving for continuous improvement in our Agency's management and program operations and in our own office. We contribute to environmental quality, human health, and good government through problem prevention and cooperative solutions.

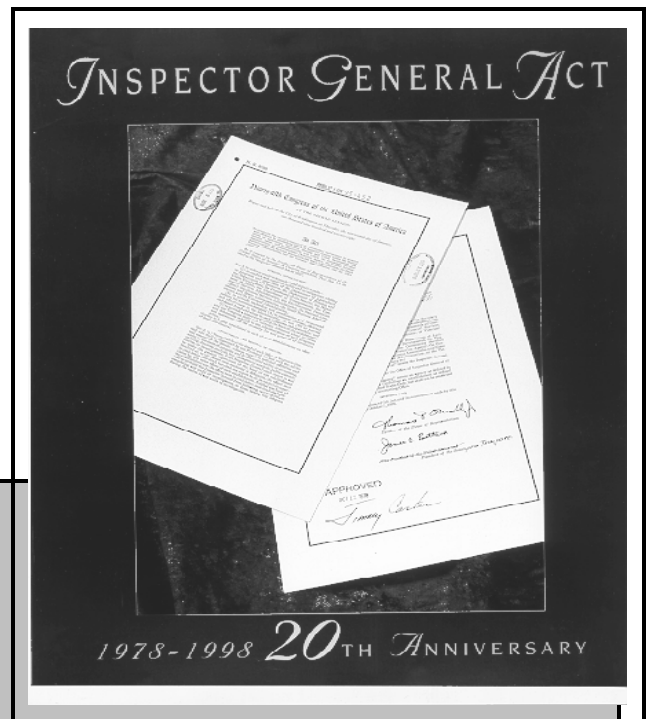
Our Mission

Inspector General Act Requirements:

- ◆ Conduct and supervise independent and objective audits, evaluations and investigations relating to agency programs and operations.
- ◆ Promote economy, effectiveness, and efficiency within the agency.
- ◆ Prevent and detect fraud, waste, and abuse in agency programs and operations.
- ◆ Review and make recommendations regarding existing and proposed legislation and regulations relating to agency programs and operations.
- ◆ Keep the agency head and Congress fully and currently informed of problems in agency programs and operations and on the status of corrective actions.

The OIG in EPA: Background, Role and

Authority: Congress passed the Inspector General Act of 1978 (Public Law 95-452) establishing Offices of Inspector General within 12 (originally, now at least 60) Federal Agencies, including the Environmental Protection Agency, to consolidate existing investigative and audit resources in independent organizations headed by Inspectors General. EPA established its Office of Inspector General (OIG) in 1980.



The major way IGs are different from other Federal offices is their independence

The authors of the Inspector General Act recognized that Inspectors General, to be effective, would need both an unusual degree of independence and a close working relationship with their Agency heads. Accomplishing our mission and goals requires that we carefully maintain our independence while assisting the Agency in improving its management and program operations. Inspectors General are authorized to:

- Initiate and carry out independent and objective audits, evaluations, and investigations;
- Issue subpoenas for information and documents;
- Have direct access to all records and information of the Agency;
- Have ready access to the agency head;
- Report serious or flagrant problems to Congress;
- Hire and control their own staffs, including Senior Executive Service positions;
- Contract for resources, services, and expert advice;
- Administer oaths for taking testimony; and,
- Request assistance from any Federal, State, or local government.

Appointment of the Inspector General: The Inspector General of EPA is nominated by the President and confirmed by the Senate without *regard to political preference* based on his or her personal integrity and expertise in:

- accounting, auditing, financial analysis;
- law, management analysis, public administration; and
- investigations.

Presidentially appointed IGs can be removed only by the President, with notification to both houses of Congress of the reasons for such removal.

OUR LEADERSHIP PHILOSOPHY AND VALUES

Our leadership philosophies are:

1. The OIG is an organization built on trust and personal empowerment.
2. Each person is valued and contributes to our collective success.
3. Leadership is everyone's responsibility.
4. Responsibility and accountability for organizational success resides with each person.

Our individual values are:

1. **Personal integrity.** It is our most important asset.
2. **Personal Leadership.** We are positive role models leading by example.
3. **Dignity, Respect, Fairness, Honesty, and Courtesy.** We treat each other as customers.
4. **Honoring Commitments.** We keep promises.
5. **Win-Win.** We strive for mutually beneficial relationships and results.

Our operating system values are:

1. **One OIG.** Teamwork within, among, and between staff leverages shared competencies.
2. **Open Communication.** Information will be disseminated quickly and widely.
3. **Customer Focused.** We meet agreed-upon customer expectations.
4. **Results Oriented.** Our results are fast, accurate, complete, and plainly stated.
5. **Creative.** We support and encourage innovation and responsible risk-taking.
6. **Independence, Integrity, Professionalism.** We bring these to the Agency.
7. **Continuous Learning and Improvement.** These are foundational to high performance.
8. **Reward and Celebrate Success.** Organizational and individual success is linked to values.

OIG Hierarchy of Goals Start with the End In Mind

EPA is charged with protecting and improving the environment and human health. As a part of EPA, the OIG must also support that mission, but the OIG cannot directly improve the environment or human health. We do believe, however, our work can and should indirectly contribute to these improvements. Therefore, we developed a hierarchy of interrelated strategic goals, each linked to outcome objectives, measures and strategies committed to that end. These goals are both internally focused towards improving the OIG and externally focused towards improving EPA.

Focusing internally on OIG improvements is our foundational strategic goal involving our people and work culture expectations. We believe our primary goal of *building a skilled, diverse and motivated work force of competent people* is a requisite to our next goal of *generating effective and efficient products and services that meet customers needs*. Focusing externally on EPA improvements, and building on our two internal goals, is our goal of – *improving EPA program management and operations*. Collectively, we believe accomplishment of all of *these* goals will contribute to attainment of EPA's Goals and our ultimate goal of- *improving the environment and human health*.

EPA'S GOALS

Work of the Office of Inspector General is designed to support and contribute to the achievement of the goals identified in the Agency's strategic plan. These goals are:

“ The mission of the United States Environmental Protection Agency is to protect human health, and to safeguard the natural environment - air, water, and land- upon which life depends”

- 1. Clean Air**
- 2. Clean and Safe Water**
- 3. Safe Food**
- 4. Preventing Pollution and Reducing Risk in Communities, Homes, Workplaces, and Ecosystems**
- 5. Better Waste Management, Restoration of Contaminated Waste Sites, and Emergency Response**
- 6. Reduction of Global and Cross-Border Environmental Risks**
- 7. Quality Environmental Information**
- 8. Sound Science, Improved Understanding of Environmental Risk, and Greater Innovation to Address Environmental Problems**
- 9. A Credible Deterrent to Pollution and Greater Compliance with the Law**
- 10. Effective Management**

See appendices 1 and 2 for a detailed description of each Agency goal and FY 2001 budget request for each goal.

OIG GOALS

1. **Contributing to improved environmental quality and human health**
2. **Improving EPA's management and program operations**
3. **Producing timely, quality and cost effective products and services that meet customer needs**
4. **Enhancing diversity, innovation, teamwork and competencies**

OIG Products and Services - *The Work We Do*

<i>Audits</i>	<i>Program Audits and Evaluations</i>	<i>Advisory/Analysis</i>	<i>Investigations</i>
Systems Financial Statement Contract Assistance Agreements Computer Security Fact Finding	Process Outcome Impact Cost-Benefit	Legislation & Regulation Review GPRA Implementation Control Assessment Fraud Prevention Presentations & Workshops	Program Integrity Contract & Procurement Employee Integrity Assistance Agreements Hotline Computer Forensics

EPA OIG Customers, Clients and Stakeholders Include :

- ◆ **EPA Administrator, Agency Management, Agency Programs, and Staff**
- ◆ **Congress**
- ◆ **President and Office of Management and Budget**
- ◆ **American Taxpayers, Including Future Generations**
- ◆ **State and Local Governments**
- ◆ **OIG Staff**
- ◆ **Other Federal Agencies, Including GAO and the Department of Justice**
- ◆ **The Law Enforcement Community**
- ◆ **EPA Contractors and Grantees**
- ◆ **Media and Public Interest Groups**
- ◆ **Professional and Industry Associations**

Listening to the Voice of the Customer - Always a Work in Progress

The EPA OIG Strategic Plan reflects the ideas and concerns of a wide range of customers, clients, partners and stakeholders, including our staff, Agency managers, Congress, States, and others. We collected information through: (1) surveys; (2) reports; (3) analysis of strengths, weaknesses, opportunities and threats; (4) meetings; and (5) interviews. We used specific evaluation criteria to determine our goals, objectives, measures, and strategic areas of current and emerging concern. This is a dynamic process, and we will continually collect and evaluate new information from our customer and client base to revise our plans, activities, and the measurements of our performance to constantly improve our products and services.

OUR STRATEGIC AREAS OF EMPHASIS BY OIG GOAL

Business Line Goals - *The value we add for EPA& its stakeholders*

<i>Goal 1. Improving the Environment and Human Health</i>	<i>Goal 2. Improving EPA's Management and Program Operations</i>
<ol style="list-style-type: none"> 1. Air 2. Water 3. Safe Food 4. Waste Management 5. International Issues 6. Environmental Data 7. Scientific Research 8. Enforcement & Compliance Assistance 	<ol style="list-style-type: none"> 1. Financial Management & Cost Accounting 2. Assistance Agreements 3. Contracts 4. Computer Security 5. Human Capital 6. Systems

Process, Organizational and Customer Goals - *How well we work*

<i>Goal 3. Producing timely, quality and cost effective products and services that meet customer needs</i>	<i>Goal 4. Enhancing diversity, innovation, teamwork and competencies</i>
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OIG Organizational Cornerstone Strategies

1. Customer Focus
2. Partnering
3. Business Planning (product/process design)
4. Integrated Measurements (performance linkages)
5. Outcome Orientation (start with the end in mind)
6. Activity Based Costing (project management)
7. Human Capital (skills & development)
8. Communications (trust & understanding)
9. Organizational Realignment (matrix management)
10. Integration of High Performance Culture
11. Integrated and Knowledge Information Systems

GOAL 1: *Contributing to improved environmental quality and human health*

Objectives

- ❑ **Influence significant programmatic changes to legislation, regulations, policy, processes and practices that have a positive impact on the environment and human health.** By 2005, the OIG will recommend 350 improvements across EPA's environmental goals. These will contribute to at least 10% improvement, or prevent 10% environmental indicator loss, in at least 10 of EPA's environmental program performance objectives for air, water, safe food, and waste management.
- ❑ **Identify and recommend solutions for reducing the highest environmental risks.** By 2005, the OIG will identify and recommend solutions and/or enforcement actions that reduce or eliminate at least 100 risks of loss to health and environmental quality across EPA's environmental goals.
- ❑ **Identify best practices in EPA, states and other Federal agencies that have directly contributed to improved environmental quality and human health impacts.** By 2005, the OIG will identify at least 100 best and innovative environmental practices and actions that can be applied and transferred to or within EPA, influencing at least 10% of EPA's performance measures.

Results We Intend to Achieve (cumulatively):

- ▶ By 2001: 25 improvements; 15 risks; 15 best practices affecting EPA performance measures.
- ▶ By 2002: 75 improvements; 30 risks; 30 best practices affecting EPA performance measures.
- ▶ By 2003: 150 improvements; 50 risks; 50 best practices affecting EPA performance measures.
- ▶ By 2004: 250 improvements; 75 risks; 75 best practices affecting EPA performance measures.
- ▶ By 2005: 350 improvements; 100 risks; 100 best practices affecting EPA performance measures.

How We Will Measure Our Progress

✓ Legislative Changes	✓ % of Best Practices Implemented
✓ Regulatory Changes	✓ # of Performance Measures Affected
✓ EPA Policy or Directive Changes	✓ % of Performance Measures Affected
✓ Risks Identified	✓ Examples of Environmental Improvements
✓ Best Practices Identified	✓ # of Best Practices Transferred
✓ % of Recommendations Implemented	✓ % of Recommendations Accepted
✓ Risks Reduced or Eliminated	

Strategic Areas of Emphasis for Goal 1.

While we plan to perform work related to each of EPA's ten goals we will concentrate on the eight areas listed here. Our work will be designed to help the Agency achieve its environmental goals in the most effective and efficient way. We will continue to focus on assessing the Agency's operations to identify best practices, areas for improvement, and cooperative solutions to problems identified. We will perform work related to new programs, activities, and systems to timely identify potential system and control weaknesses and to make recommendations to prevent problems from occurring. Our work will assess the Agency's implementation of the Government Performance and Results Act (GPRA), including its goals, objectives and measurements, and the quality of data available to measure achievement of these goals.

Areas of emphasis for our 2001-2005 work are described below. We selected these areas based on: (1) past work in the area; (2) information on environmental risk and the risk of fraud, waste and abuse; and (3) the results of our employee and customer surveys. Our annual performance plans will describe in more detail our approaches and strategies for each of these areas.

1. *Air*
2. *Water*
3. *Safe Food*
4. *Waste Management*
5. *International Issues*
6. *Environmental Data*
7. *Scientific Research*
8. *Enforcement & Compliance Assistance*

Air - Air quality improvements achieved during EPA's first quarter century are responsible for many of the greatest human health and ecological gains from implementation of Federal environmental laws. More recently, however, local governments and industry have cited rising costs and diminishing health benefits in arguing against Agency decisions to tighten air quality standards. Further, questions have been raised about the quality of science used to justify new air quality rules. Our approach to assessing EPA's achievement of its clean air goal will include gaining an understanding of key air programs and identifying major opportunities for cost-effective risk reduction. As described below (emphasis area on Scientific Research), we also plan to analyze the use of scientific research in carrying out Agency programs, including the air program.

Water - EPA reports that the overwhelming majority of Americans, more than 218 million, live within 10 miles of a polluted lake, river, stream, or coastal area. In addition, EPA estimates a \$277 billion investment will be needed in water supply systems and wastewater treatment facilities over the next 20 years. Our work will focus on gaining a better understanding of the overall needs and challenges in protecting the Nation's water resources, important regional or watershed issues like the Everglades and western farming, ensuring safe drinking water, assessing the need for better water quality monitoring information, determining the extent of water infrastructure needs and costs, and assessing the effectiveness of point and non-point source programs. Further, we will assess whether the Agency has comprehensive contingency plans ensuring continuity and protection of essential water functions across a wide range of potential emergencies, such as terrorism.

Safe Food - Over the past decade the public debate about food safety -- originally shaped by revelations of cancer-causing pesticides used on farming produce -- has matured to reflect an understanding of cumulative dietary exposures from multiple food products causing a variety of cancer and systemic health effects. In the Food Quality Protection Act, Congress charged EPA with filling the gaps in science necessary to determine pesticide food tolerances that adequately address new concerns, such as cumulative exposure and health effects unique to children, and developmental effects on the unborn. These issues have focused public attention on EPA's established methods for assessing systemic health effects and raised criticism of the science underlying food tolerance decisions.

On another front, biotechnology has broadened the American public's concern about the potential for unforeseen consequences from genetic research applications to improve crop harvests and control pests. With the explosion in genetic research over the past few years and prospects for even greater growth in the future, EPA must assess the capacity of its review processes to keep pace with this rapidly expanding field. In evaluating the Agency's accomplishment of its safe food goal, we plan to look at how EPA works with the Food and Drug Administration and the Department of Agriculture to ensure the safety of the nation's food supply. In this regard, we will look for possible duplication of efforts or key areas that are not being addressed. Evaluating the scientific research supporting EPA's decisions about pesticides will also be an important part of our strategy for work in this area.

Waste Management - GAO estimates that cleanup of the nation's nuclear and other waste sites could cost the Federal government about \$300 billion and the private sector hundreds of billions more. Our work will focus on determining the extent of sites remaining to be cleaned up, the environmental risks these sites pose, and how efficiently and effectively EPA is using appropriated funds for cleanup of hazardous waste sites. Since many of the sites remaining to be cleaned up are on Federal lands, we will work closely with the GAO and other Federal IGs to accomplish our work.

International Issues - Water pollution is one of the principal environmental and human health problems facing small communities located along the U.S./ Mexico border. An area we have focused on in the past and plan work in the future is the Agency's initiative to provide people living along the U.S/Mexico border with adequate drinking water, wastewater collection, and treatment systems.

The Great Lakes basin, along the Canadian border, is home to more than one-tenth of the U.S. population and has some of the world's largest concentrations of industrial capacity. Environmental challenges include contaminated sediments, the effects on exotic species, and the loss of habitat. We have identified the Agency's management of the Great Lakes Program as one of EPA's top management challenges. Accordingly, we plan to monitor the Agency's actions to restore and maintain the integrity of the basin.

Environmental Data - We identified environmental data systems as one of the top challenges to effectively accomplishing EPA's goals. Having the right data at the right time is important for: (1) managing EPA's programs, (2) monitoring and reporting on environmental quality, and (3) holding individuals and organizations accountable for achieving specific goals and objectives. Therefore, we will monitor EPA's actions to identify key data it needs and ensure that systems and controls are in place to obtain and disseminate relevant and reliable data. Since EPA relies heavily on the States and other Federal agencies for data on environmental quality, our work will support the Agency's initiatives to: (1) institute data standards that ensure data compatibility, and (2) ensure that data quality is known and appropriate for its intended uses. Also, since EPA has budgeted over \$500 million for modernization of its information systems through 2003, we will review Agency system development and identify opportunities to strengthen methodologies, controls, and cost efficiencies.

Scientific Research - Scientific data is essential for supporting EPA's decisions. Sound science enables EPA to identify the most important risks to human health and to use this information in setting priorities and making other decisions to fulfill EPA's mission. We will analyze EPA's scientific and peer review programs to evaluate their integrity and independence from regulatory activities. We will also evaluate the effectiveness of scientific data in influencing program management decisions including, improper activities in laboratory work used to support EPA decisions. We will also continue our investigative initiative to uncover criminal activity in the conduct of laboratory work by contractors and others upon which EPA relies.

Enforcement and Compliance Assistance - Enforcement and compliance assistance are two of the tools EPA uses to mitigate and avoid risks to human health and the environment. Our work in this area will focus on evaluating the cost and effectiveness of EPA's compliance activities in achieving environmental protection and identifying the strengths or weaknesses of EPA's enforcement efforts in maximizing public health and the environment. We will look for ways for EPA to achieve greater environmental protection at a reduced cost. Since States provide the vast majority of enforcement and compliance actions, we will evaluate the effectiveness of EPA and State relationships, including EPA's efforts to build capacity within the States to ensure compliance with the nation's environmental laws. We will make recommendations to EPA for improving compliance, and to Congress when we identify changes to laws that could result in more efficient and effective ways to achieve environmental protection.

GOAL 2. *Improving EPA's Management and Program Operations*

Objectives

- ❑ **Identify opportunities for improved economy, efficiency, and accountability in EPA programs and operations.** By 2005, the OIG will identify potential cost savings, recoveries and fines equaling at least two times the annual dollar investment in the OIG.
- ❑ **Improve the integrity of EPA programs and operations by identifying and reducing actual and potential vulnerabilities for fraud and risk reduction.** By 2005, the OIG will reduce and prevent the risk of loss from fraud by contributing to at least 250 cumulative criminal, civil, or administrative actions.
- ❑ **Help EPA resolve its “major management challenges.”** By 2005, the OIG will spend at least 15 percent of available time identifying EPA's Major Management Challenges and advising the Agency on eliminating each management challenge within three years of its designation as such, and achieving a rating in the top 20 percent of all agencies for implementation of the Results Act.

Results We Intend to Achieve:

- ▶ By 2001: 100% return on investment (ROI) in IG annual budget; 50 actions reducing risk; and determine baseline for status of GPRA implementation rating.
- ▶ By 2002: 100% ROI; 100 actions reducing risk; 5% time on EPA Management Challenges
- ▶ By 2003: 150% ROI; 150 actions reducing risk; 7% time on EPA Management Challenges
- ▶ By 2004: 150% ROI; 200 actions reducing risk; 10% time on EPA Management Challenges
- ▶ By 2005: 200% ROI; 250 actions reducing risk; 15% time on EPA Management Challenges

How We Will Measure Our Progress

- | | |
|---|---|
| ✓ Questioned Costs | ✓ Examples of Process/Practice Changes |
| ✓ Recommended Efficiencies | ✓ Costs Avoided or Saved |
| ✓ Criminal/Civil/Administrative Actions | ✓ % Improvement In GPRA Rating |
| ✓ Fines, Recoveries & Restitutions | ✓ Time to Resolve Management Challenges |
| ✓ Time Saved (cycle time) | ✓ % Satisfaction with EPA Service Quality |
| ✓ % of Recommendations Implemented | |
| ✓ Best Practices Identified/Implemented | |

Strategic Areas of Emphasis for Goal 2.

1. *Financial Management & Cost Accounting*
2. *Assistance Agreements*
3. *Contracts*
4. *Computer Security*
5. *Human Capital*
6. *Systems*

While we plan to perform work related to each of EPA's ten goals, we will concentrate on the six cross-cutting business areas listed here. Our work will be designed to help the Agency achieve its environmental goals in the most effective and efficient manner. We will continue to focus on assessing the Agency's operations to identify best practices, areas for improvement, and cooperative solutions to problems identified. We will perform work related to new programs, activities, and systems to timely identify potential system and control weaknesses and to make recommendations to prevent problems from occurring. Our work will assess the Agency's implementation of the GPRA, including its goals, objectives, and measurements, systems and the quality of data available to measure achievement of these goals.

Areas of emphasis for our 2001-2005 work are described below. We selected these areas based on: (1) past work in the area; (2) information on environmental risk and the risk of fraud, waste, and abuse; and (3) the results of our employee and customer surveys. Our annual performance plans will describe in more detail our approaches and strategies for each of these areas.

Financial Management and Cost Accounting - We identified financial statement preparation as one of EPA's top management challenges. We will continue to conduct the financial statement audits mandated by statute, and identify any further improvements needed in financial management processes, systems, and controls. In addition, we will provide advice and assistance to Agency managers on developing and implementing financial reporting processes and systems for accumulating reliable, timely, and useful information on the cost of EPA's program activities. Ultimately, our goal is to work with Agency managers to integrate cost and program information in a way that allows them to make the best decisions about how to use available resources to maximize environmental results. This data will also be a valuable tool to increase accountability within the Agency.

Assistance Agreements - EPA spends about half of its budget on assistance agreements, making them the primary means through which EPA delivers environmental and human health protection. Our work in this area will determine whether: (1) recipients are achieving the goals of the assistance agreements, (2) the agreements contribute to the attainment of EPA's goals, (3) recipients are effectively managing funds, and (4) Government laws and regulations are adhered to. In addition, we will continue our efforts to identify high-risk grantees and criminal and administrative misconduct in the award and delivery of EPA assistance agreements.

Contracts - EPA spends about one fourth of its budget on contractor support. Our contract work will evaluate whether EPA's contracts are being awarded and administered in a manner that supports cost-effective accomplishment of EPA's mission. In addition, we will continue our audits of contractor costs and our investigative work to uncover criminal and administrative misconduct in the award and delivery of contract services.

Computer Security - EPA offices are dependent on computers and environmental data to manage and monitor environmental progress and risks. EPA's computer systems are also used to manage the Agency's financial resources and administrative activities. We plan to: (1) monitor computer security weaknesses previously identified by our office and the General Accounting Office, (2) identify new and emerging vulnerabilities to computer security, and (3) advise the Agency of any additional computer security enhancements needed to reduce the risk of damage and disruption to EPA's critical systems. We will also continue performing criminal investigations of intrusive activities affecting EPA computer security and participate with other law enforcement agencies in the growing effort to protect computer security.

Human Capital - EPA relies on a workforce of approximately 18,000 employees to carry out its environmental mission. Maintaining a highly trained and motivated workforce is essential for EPA to attain its environmental objectives. To accomplish its goals, EPA employees need to know how their work fits into the attainment of those goals, and be held accountable for and rewarded for their contributions. Our work will evaluate EPA's management of its human capital, including how it determines its staffing needs in terms of numbers of staff and skills needed to accomplish its mission. We will take advantage of best practices and lessons learned from our own experiences to evaluate and identify improvements that assist the Agency in managing its human capital.

Systems - We will use the President's Quality Award criteria to evaluate EPA's organizational systems and capacity to achieve its mission and goals. Specifically, we will identify best practices and areas for improvement in the Agency's: (1) leadership, (2) strategic planning, (3) customer focus, (4) information systems and analysis, (5) human resources management and development, (6) process management, and (7) business results. We will evaluate the Agency's systems of financial, management and administrative controls, and the integration of performance measures to protect EPA's resources and make sound, well supported decisions.

The following chart shows the relationship between EPA's goals and our planned strategic emphasis areas.

Relationship of OIG Emphasis Areas to EPA's 10 Goals

EPA Goals → OIG Emphasis Areas	Air	Water	Safe Food	Pollution Prevention	Waste Mgt.	Global Issues	Envir. Info.	Sound Science	Credible Deterrent	Effective Mgt.
Air	X					X	X	X	X	X
Water		X				X	X	X	X	X
Safe Food			X				X	X		X
Hazardous Waste					X		X	X		X
International Issues		X				X	X	X		X
Environmental Data	X	X	X	X	X	X	X	X	X	X
Scientific Research	X	X	X	X	X	X	X	X	X	X
Enforcement & Compliance Assistance	X	X					X	X	X	X
Financial Management	X	X	X	X	X	X	X	X	X	X
Assistance Agreements	X	X	X			X	X	X	X	X
Contracts					X					X
Computer Security							X			X
Human Capital	X	X	X	X	X	X	X	X	X	X
Systems	X	X	X	X	X	X	X	X	X	X

The OIG generally provides coverage to all of EPA's goals, as needed, but those listed are the strategic areas of emphasis.

Major Management Challenges

At the request of Congress, Inspectors' General annually identify the Major Management Challenges facing their respective departments and agencies. The Major Management Challenges in EPA represent areas of systemic weaknesses or specific vulnerability seriously threatening the success or integrity of Agency operations.

We will continue working collaboratively with Agency managers to provide advice and recommendations to help EPA resolve these Challenges. We identified the following areas as major management challenges during fiscal 2000. The Agency is taking action to correct several of these challenges, but other remain unresolved.

Accountability
Environmental Data Information Systems
Backlog of National Pollutant Discharge Elimination System (NPDES) Permits
Oversight of Assistance Agreements
Employee Competencies
EPA's Computer Systems Security
Quality of Laboratory Data
Agency Process for Preparing Financial Statements
Superfund Five-Year Reviews
Great Lakes Program

Accountability - EPA must develop accountability systems. Internally, these systems must establish accountability and identify costs for Headquarters and Regional employees related to EPA Goals. Externally, these systems must identify costs and establish performance expectations for grantees and contractors related to EPA goals.

Environmental Data Information Systems - EPA has not developed an overall strategy to address the completeness of its environmental data. As a result, EPA's ability to evaluate the outcomes of its programs in terms of environmental changes will continue to be limited by gaps and inconsistencies in the quality of its data and in EPA's requirements for data across programs.

Backlog of National Pollutant Discharge Elimination System (NPDES) Permits - A key element of the Agency's effort to achieve its overarching goal of clean and safe water is the reduction of pollutant discharges from point and nonpoint sources. Under the NPDES program, EPA establishes controls on pollutants discharged from point sources into the waters of the United States. EPA recognizes that the backlog of issuing NPDES permits is a nation-wide problem that otherwise could adversely affect human health and aquatic life. The Office of Water developed a corrective action plan scheduled for completion in 2004 to resolve this issue.

Oversight of Assistance Agreements - Our prior work identified weaknesses in the Agency's communication of its expectations, monitoring of grantees' performance, and the improper use of grants when it should have contracted for work.

Employee Competencies - The Agency recognizes that one of its biggest challenges over the next several years is the development and implementation of a strategy that focuses the Agency's attention and resources on human capital. Appropriate recruitment, contracting, partnering, and training for staff, including supervisors and managers, is critical to EPA mission accomplishment.

EPA's Computer Systems Security - EPA relies on its information systems to collect, process, store, and disseminate vast amounts of information used to assist in making sound regulatory and program decisions. The OIG and General Accounting Office have identified significant and pervasive problems regarding the security of EPA's computer systems.

Quality of Laboratory Data - Some scientific analyses prepared by EPA and its contract laboratories and other sources is fraudulent or otherwise lacks quality and should not be used to support environmental decisions. As a result of data quality problems in contract laboratories, EPA laboratories, and other laboratories upon which EPA depends, EPA must determine the impact that fraudulent analyses have had on environmental and enforcement decisions. EPA must devote additional efforts to ensuring the integrity of all scientific analyses influencing its actions. The OIG work in reporting on the quality of environmental data by Federal facilities initiated the creation of a Federal task force to address the lack of Federal standards for environmental data quality.

Agency Process for Preparing Financial Statements - The Agency encountered significant difficulties in preparing its annual financial statements. These difficulties highlight the need for EPA to strengthen its coordination and quality control processes to ensure accurate data is available on a timely basis to prepare the financial statements and to manage the Agency's environmental programs.

Superfund Five-Year Reviews - The Superfund statute requires that remedial actions, where hazardous substances, pollutants, or contaminants remain on-site, be reviewed every five years to assure that human health and the environment continue to be protected. This issue is of growing importance because containment remedies have been used more frequently since 1992. Our most recent audit of this area showed: (1) the backlog of reviews is growing, (2) approximately 30 percent of the five-year review reports did not contain a definitive statement on protectiveness or information in the report seemed to conflict with the statements made, and (3) results of the reviews were not being reported to the Congress or the public.

Great Lakes Program - We reported EPA needed to improve and complete its Lake-wide Management Plans and Remedial Action Plans, which were established as systematic and comprehensive ecosystem approaches to address the Great Lakes. These plans were taking considerably longer to complete than expected. Without these plans, there was no assurance that EPA was doing the most cost-effective and highest priority activities needed to protect the Great Lakes. EPA and its partners have been slow in restoring and maintaining the integrity of the Great Lakes basin.

The following chart shows the relationship of these major management challenges to our planned areas of emphasis.

RELATIONSHIP OF EPA MAJOR MANAGEMENT CHALLENGES TO PLANNED OIG EMPHASIS AREAS

EPA Mgt. Challenges → OIG Emphasis Areas	Accoun- tability	Env. Data	NPDES Permits	Assis- tance Agree- ments	Employee Compe- tencies	Systems Security	Lab Data	Financial State- ments	5 Year Reviews	Great Lakes
Air	X	X		X	X		X	X		
Water	X	X	X	X	X		X	X		X
Safe Food	X	X			X		X	X		
Hazardous Waste	X	X			X		X	X	X	
International Issues	X	X		X	X					X
Environ. Data	X	X		X	X		X			
Scientific Research	X	X		X	X		X			
Enforcement & Compliance Assistance	X	X		X	X		X	X		
Financial Management	X				X	X		X		
Assistance Agreements	X			X	X					
Contracts	X				X		X			
Computer Security	X				X	X				
Human Capital	X	X	X	X	X	X	X	X	X	X
Systems	X	X	X	X	X	X	X	X	X	X

MEANS TO IMPLEMENT OUR BUSINESS LINE STRATEGIES

Business Line Products and Services - The Work We Do			
<p><i>Audits</i></p> <p>Systems Financial Statement Contract Assistance Agreement Computer Security Fact Finding</p>	<p><i>Program Audits and Evaluations</i></p> <p>Process Outcome Impact Cost-Benefit</p>	<p><i>Advisory & Analysis Services</i></p> <p>Legislation & Regulation Review GPRA Implementation Control Assessment Fraud Prevention Presentations & Workshops</p>	<p><i>Investigations</i></p> <p>Program Integrity Contract & Procurement Employee Integrity Assistance Agreements Hotline Computer Forensics</p>

Systems Audits review the economy, efficiency and effectiveness of operations by examining the Agency’s leadership systems, its strategic planning, human resources development, customer focus and process management. These reviews also focus on the integration of performance and financial information to manage and assess results, and determine the extent of compliance with applicable laws and regulations to improve the integrity and management of assets and resources.

Financial Statement Audits consist of audits of the Agency’s financial systems and statements to ensure that adequate controls are in place and the Agency’s accounting information is accurate, reliable and useful, and complies with applicable laws and regulations. Our objective is to assist EPA in making improvements in the financial management processes and controls which will provide better information for decisions promoting the most cost effective results.

Contract Audits determine the eligibility, allocability, and reasonableness of costs claimed by contractors and assure that EPA pays only for what it requests and receives. They include audits of EPA contractors’ indirect cost proposals and pre-award, interim, and final contract cost submissions. Our contract work also includes evaluating whether EPA’s contracts are being awarded and administered in a manner that supports achievement of the Agency’s environmental mission.

Assistance Agreement Audits consist of financial and performance audits of EPA’s State Revolving Fund program, Performance Partnership Grants, interagency cooperative agreements and assistance agreements, all of which provide assistance to state, local and tribal governments; universities; and nonprofit recipients, and account for about half of EPA’s budget. Our work builds on the Single Audit Act; focuses on resource-intensive, high-risk programs; and helps to ensure that EPA-funded assistance agreements are being awarded and administered in a manner that supports achievement of the Agency’s environmental mission.

Fact Finding is the service the OIG provides as the “honest broker” to answer specific questions or gather information at the request of the Agency, Congress, or other customers.

Program Audits and Evaluations use sophisticated analytical tools, methodologies and specialized skills, applied with a broad perspective to determine the extent to which the desired results or benefits envisioned by the Administration and Congress are being achieved. They involve the systematic measurement and analysis of environmental, economic, and other external outcomes, benefits, and results in relation to the application of resources and legislative and policy initiatives. They assist the Agency in implementing GPRA by selectively verifying and validating performance measures, data, and results. Four types of evaluations include:

Process: Assesses the extent to which a program is operating as it was intended.

Outcome: Assesses the extent to which a program achieves its outcome-oriented objectives.

Impact: Assesses net effect of a program by comparing outcomes with the absence of the program.

Cost Benefit: Compares the program's outputs or outcomes with the costs to produce them.

Phase I Evaluations (Review) (1) Reviews of program offices' GPRA plans to assess whether relationships between environmental programs and outcomes are documented and understood; (2) reviews of available performance information on key processes, outcomes, impacts, and cost-benefits; (3) prioritizing possible evaluation questions and issues; (4) incorporating Phase I findings into "knowledge baseline" report highlighting major information gaps; and (5) developing Phase II plans.

Phase II Evaluations (Analysis) (1) The conduct and coordination of multiple evaluations of program performance, including process, outcome, impact and cost-benefit evaluations as defined and prioritized in Phase I; and (2) development of individual program performance evaluation/audit reports including practical opportunities for improving performance, measured by program outcomes and impacts.

Phase III (Synthesis) (1) Combining the results of Phase I and II into a comprehensive picture of the environmental program, its GPRA planning structure and baseline performance; and, (2) presenting recommendations for improving the planning structure, filling data gaps, and making programmatic changes that will result in significant improvements in the program's environmental performance.

Advisory and Analysis Services include a wide range of products and services designed to give managers information they need more expediently than audits, and to assist EPA management in assessing and/or implementing control systems and processes. They often focus on working with Agency managers to develop solutions to known problems or to design systems and controls to prevent problems in new programs and activities. These include:

- ▶ Review and analysis of proposed and existing legislation and regulations;
- ▶ Assessment of Agency implementation of GPRA and advice on improved planning, measurement, accountability, linkages, data quality, and reporting;
- ▶ Review and assessment of internal, financial and management controls;
- ▶ Fraud prevention awareness and techniques; and,
- ▶ Presentations, workshops, and analysis of management improvement techniques.

Investigations focus on alleged fraud, waste, abuse, and other illegal activities by EPA employees, contractors, and grantees. Investigations may result in referrals for criminal prosecution and civil action, indictments, convictions, fines, restitutions, civil recoveries, suspensions, debarments, and other administrative actions. Investigations are also vital in identifying high risk vulnerabilities, systemic weaknesses, improvements in programs and operations, savings, and economic benefits. Emphasis will continue on the initiatives to uncover criminal activity in the award and delivery of EPA assistance agreements and contracts and in the conduct of laboratory work by contractors. We will also continue to perform criminal investigations of intrusive activities affecting EPA's computer systems and will participate with other law enforcement agencies in the growing effort to protect government computer systems.

Program Integrity Investigations - These investigations focus on activities that could undermine the integrity of Agency programs concerning safety and public health, and erode public confidence in the Agency. These cases are initiated in response to allegations or may be self-initiated in high-risk areas where there is reasonable suspicion of fraud.

Contract and Procurement Investigations - These investigations focus on acquisition management, contracts, and procurement practices. We specifically focus on cost mischarging, defective pricing, and collusion on EPA contracts. The decentralized nature, complexity, and the lack of central vendor and subcontractor database increase the Agency's vulnerability to contract fraud.

Employee Integrity Investigations - These investigations involve allegations against EPA employees that could threaten the credibility of the Agency. Employee integrity investigations are conducted to maintain the integrity of EPA personnel.

Assistance Agreement Investigations - These investigations focus on criminal activities related to Agency grants, State Revolving Funds, Interagency Agreements, and Cooperative Agreements that provide assistance to state, local, and tribal governments, universities, and nonprofit recipients. Collectively, these programs account for about half of EPA's budget.

Hotline - These involve reviews of allegations made to the OIG by EPA employees, contractors, and the public, or as referred from another agency via the telephone or in writing. Substantiated allegations may result in a full investigation or audit resulting in criminal, civil, or administrative action.

Computer Forensic Investigations - These investigations identify and counter illegal intrusions of EPA's computer systems. Through a specialized computer intrusion unit, we will coordinate with the FBI's National Infrastructure Protection Center, and with GAO's Federal Computer Intrusion Response Center.

GOAL 3: *Producing Timely, Quality and Cost Effective Products and Services that Meet Customers Needs*

Objectives

- ❑ **Provide the right products, at the right time, to the right customers, at the right cost.** By 2005, the OIG will develop and apply market and business knowledge to achieve an overall customer satisfaction rating of 80% for its products and services.
- ❑ **Build infrastructure, relationships, and partnerships to leverage change.** By 2005, the OIG will develop cooperative activities with 10 federal agencies and 30 states.
- ❑ **Increase professional image and demand for products and services.** By 2005, the OIG will achieve an 80% positive image rating as an effective agent of change, and at least 50% of the OIG work will be customer requested, including testimony and speeches. Also, OIG staff will achieve a 90% rating for constructive, professional, and courteous attitude.

Results We Intend to Achieve:

- ▶ By 2001: 77% avg. satisfaction; partners with 2 federal IGs, 5 states; 30% work requested
- ▶ By 2002: 79% avg. satisfaction; partners with 5 federal IGs, 10 states; 35% work requested
- ▶ By 2003: 81% avg. satisfaction; partners with 7 federal IGs, 20 states; 40% work requested
- ▶ By 2004: 83% avg. satisfaction; partners with 9 federal IGs, 25 states; 45% work requested
- ▶ By 2005: 85% avg. satisfaction; partners with 10 federal IGs, 30 states; 50% work requested

How We Will Measure Our Progress

- | | |
|---|---|
| ✓ % of OIG Work Requested | ✓ % Positive Image Rating |
| ✓ % Customer Satisfaction Ratings
(timeliness, usefulness, clarity, accuracy accessibility,
constructiveness, balance), | ✓ # of Requests to Testify |
| ✓ % of Cases/Recommendations Accepted | ✓ # of Collaborative Efforts, States/Feds |
| ✓ % of Engagement Letter Expectations Met | ✓ Cost & Time Per Assignment |
| | ✓ # of Contacts With Congress Staff |

Strategic Areas of Emphasis for Goal 3.

OIG will integrate a customer and market focus culture into all OIG work and behaviors so that the OIG becomes a customer driven organization, making customer needs the basis for its long term planning, day-to-day management, design of our products and processes and individual transactions. We will seek opportunities to influence change by building relationships and collaborative partnerships and by promoting the benefit of our work to leverage more effective results and a highly positive image of the OIG. We will build a system of linked measures to provide a balanced scorecard for both planning and measuring progress and costs on all activities in relation to the anticipated outcome. We will use project management techniques for high efficiency operations.

1. *Customer Focus*
2. *Partnering*
3. *Business Planning*
(product/process design)
4. *Integrated Measurements*
(performance linkages)
5. *Outcome Orientation*
(start with end in mind)
6. *Activity Based Costing*
(project management)

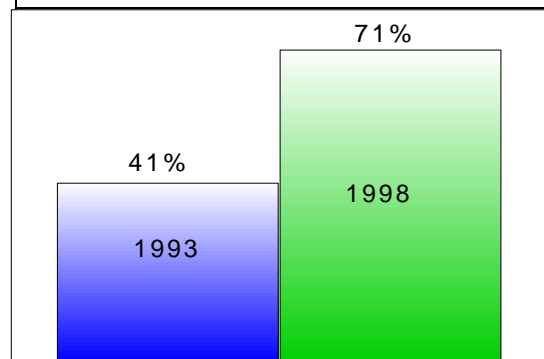
Customer Focus - The primary customers of our work are the Congress, which establishes the laws governing environmental protection and Agency managers who implement these laws. We established our goal of contributing to improved environmental quality and human health to support the needs of our Congressional and Agency customers. We design our products and services to provide them with the information they need to make important decisions about how to carry out environmental protection.

To provide our customers with the right information at the right time, we must understand and anticipate their needs and use this information, along with information about environmental risk and the risk of fraud, waste, abuse, and improprieties, to plan and carry out our work. Therefore, developing effective working relationships is critical and greatly impacts our ability to influence positive change. We will expand our current surveys to obtain continuous customer feedback to drive our planning, management decisions, and individual behaviors.

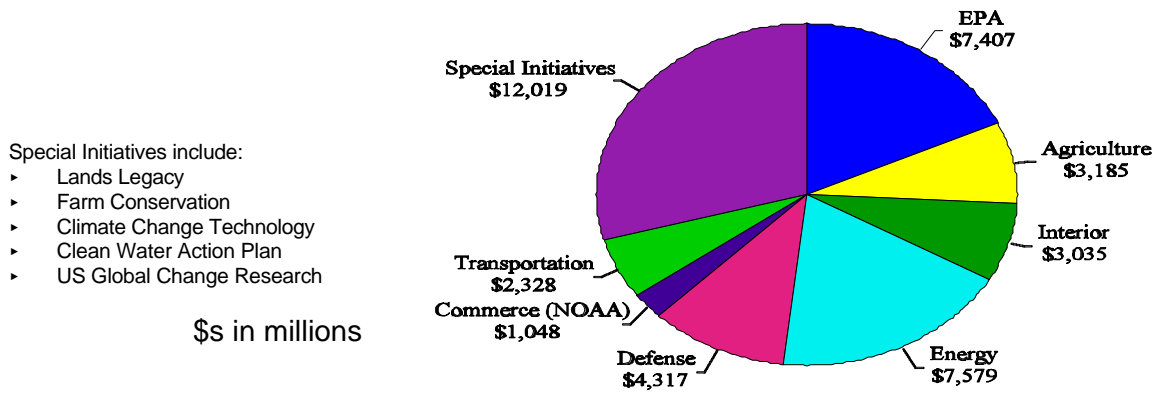
Partnering - To maximize attainment of our goals, we will leverage available resources by maintaining cooperative working relationships with GAO, other Federal Inspectors General, and State auditors. Accordingly, we have formed an Environmental Consortium of Federal auditors, evaluators, and investigators to address environmental issues of mutual interest. Appendix 3 summarizes the environmental work performed by various Federal agencies. We are also developing relationships with State auditors to identify areas and projects for joint participation. In addition, since EPA's environmental mission significantly impacts the private sector, we plan to identify groups outside the government with whom we can work to promote positive environmental change. The following two charts show (1) *the increasing role of States in environmental programs; and (2) Federal agency 2001 budget requests for environmental and natural resources programs.*

PERCENTAGE OF ENVIRONMENTAL PROGRAMS DELEGATED TO STATES

Source: Environmental Council of the States



FEDERAL ENVIRONMENTAL AND NATURAL RESOURCE PROGRAMS



Source: Fiscal 2001 President's Budget

Business Planning & Outcome Orientation - Our business planning strategy involves beginning with the end in mind - the OIG goals, strategies, areas of emphasis, and results we plan to achieve, as outlined in this strategic plan. Building on these, we will develop annual work plans outlining specific work assignments. We will also develop human capital and information technology plans outlining how the OIG will ensure it has the people and systems to accomplish its goals.

Our annual work plans will allocate our resources to specific work assignments or OIG priorities. These plans will be developed based on continuous feedback from our customers about our ongoing and completed work, and about areas on which we should focus in the future. Using this customer feedback along with our knowledge of EPA’s programs and administrative activities, we will apply the following criteria to determine which audits, evaluations, and investigations to perform.

Evaluation Factors in Determining What Work We Do	
Environmental Risk	Considers problems, relative risks, and our potential to reduce or prevent the risks
Risk of Fraud	Considers indicators of fraud, waste, or abuse, and opportunities for improvement
Substantially Add to Knowledge	Considers if we can address a major management challenge and improve decision making
Customer/Stakeholder Interest	Considers if work was requested or can provide specific value to customer/stakeholders
Federal Investment	Considers investment level from EPA and others, and potential of larger scale results
Agency Credibility	Considers if our work would enhance, protect, or restore EPA credibility in its operations

Integrated Measurements with Activity Based Costing - We will develop a Balanced Scorecard from measures that motivate behavior and action leading to improved performance and attainment of our goals. A Balanced Scorecard provides a family of business, customer, and staff measures that, when used together, provide an accurate perspective of relative progress and trade-offs toward our goals compared to the investment and application of resources. We will achieve an OIG Balanced Scorecard by developing integrated measures, vertically and horizontally, that link the factors of cost, quality, and timeliness for process, products, services, and measures of project and individual contribution with our goals. To control the costs of our product and services, we will implement activity based costing and project management techniques.

GOAL 4: *Enhancing diversity, innovation, teamwork, and competencies*

Objectives

- ❑ **Improved organization systems and production processes.** By 2005, the OIG will expand its use of technology by 10% a year, to at least 50% cumulatively from the 2001 baseline, and use organizational designs that apply multi-discipline resources for high impact solutions.
- ❑ **Increased recognition for diversity, innovation, and teamwork.** By 2005, the OIG will improve and recognize employee innovation and teamwork by at least 50% cumulatively from the 2001 baseline.
- ❑ **Improved continuous learning and demonstrated competencies in EPA programs, professional skills, technical skills and leadership skills.** By 2005, the OIG will increase its skills, abilities, and competencies base by 50% from the 2001 baseline.

Results We Intend to Achieve:

- ▶ By 2001: Establish baselines in each area of technology, innovation, and competencies
- ▶ By 2002: 10% increases in application of technology, innovation, and competencies
- ▶ By 2003: 20% increases in application of technology, innovation, and competencies
- ▶ By 2004: 35% increases in application of technology, innovation, and competencies
- ▶ By 2005: 50% increases in application of technology, innovation, and competencies

How We Will Measure Our Progress

- | | |
|--|---|
| ✓ % Staff Meeting Professional Training Standards and Competency Targets | ✓ % of Work Performed Electronically |
| ✓ % Staff In Parity with Civilian workforce | ✓ % of Products Available Electronically |
| ✓ % of Work Completed By Multi-disciplinary Teams | ✓ # of Innovative Techniques/Processes |
| ✓ # of Awards for Creativity, Innovation & Teamwork | ✓ % of Innovative Approaches, Techniques, and Processes Implemented |
| | ✓ % Staff Satisfaction on Internal Surveys |

Strategic Areas of Emphasis for Goal 4.

The OIG has a number of initiatives designed to ensure that our office has the tools for becoming a High Performance organization in its resources, structure, and processes. These include: (1) identifying skills and competencies essential for high performance in our organization; (2) inventorying our existing skills and competencies; (3) recruiting diverse staff and providing additional training and developmental activities to existing staff to fill the identified gaps; (4) developing new performance elements for our staff closely tied to our goals, values, and high performance definition; (5) implementing a new reward system; and (6) making greater use of technology.

1. *Human Capital (skills & development)*
2. *Communications (trust & understanding)*
3. *Organization Realignment (matrix management)*
4. *Integration of High Performance Culture*
5. *Integrated Knowledge Information Systems*

Human Capital Strategies - Our office will continue its deep commitment to recruiting and maintaining a highly competent and diverse workforce. We recognize that each person contributes to our collective success, and that responsibility and accountability for organizational success reside with each person. We will deploy the following strategies to ensure we have a diverse, highly trained, motivated and accountable staff.

Skills Inventory - We will identify gaps between our existing and needed skills to efficiently and effectively accomplish our mission. The results of our skills inventory will drive our recruiting and contracting strategies and help ensure we have personnel with the skills needed to carry out our current and future work.

Training and Development - Our organizational culture promotes continuous learning and sharing of knowledge to improve both OIG and Agency performance. Our training and development strategy is designed to provide our employees with the leadership, management, technical, and team skills to accomplish the work of today and to prepare us for the work of the future. The results of our skills inventory will help identify areas where further training and development activities are needed. A large percentage of our senior leaders and technical experts will be eligible for retirement within the next five years. Consequently, a critical component of our training and development strategy will be the deployment of a succession plan to identify and provide developmental activities to prepare our future experts and leaders. Each staff member will gain the knowledge, skills and abilities that collectively provide the following balance of core competencies for continuous high performance.

Staff Core Competency Development Targets by Type

★ Professional (required by standards)	25%
★ Technological (computer literacy)	20%
★ Program/Specialty	25%
★ Leadership/Team	20%
★ Other Personal Growth	10%

Diversity - We will continue our pledge of ensuring a diverse workforce that is representative of the overall national civilian workforce. We will promote equal opportunity for all, which enriches the organizational culture, relationships, and products with multiple points of view.

Personal Accountability - We will develop new Performance Elements for all OIG staff, focusing on achieving results aligned with our organizational mission, goals, and values. Staff performance will be evaluated based on activities and results relating to quality, quantity, timeliness, accuracy, cost effectiveness, and application of knowledge in four areas. Feedback will be provided by a combination of external and internal assessments including surveys, discussions, observations, objective data reports, and 360-degree analysis. The feedback will be used to identify future training and development needs. Compensation and rewards system will also be tied to these elements.

❑ Assignment Accomplishment

Assignments produce results which support OIG strategic goals. Products and services are timely, accurate, complete, and reflect technical expertise.

- ▶ Assignments produce results
- ▶ Products and services are timely, accurate, complete, and cost effective
- ▶ Demonstrates technical knowledge

❑ Customer Service

Responds to customer needs in a manner that provides added value, generates customer demand, and projects a professional image of the OIG.

- ▶ Exhibits customer and business knowledge
- ▶ Builds relationships and professional image
- ▶ Gathers and acts on feedback

❑ Personal Behavior

Exhibits appropriate behavior that supports the OIG's vision, philosophy, and values.

- ▶ Communicates in an open and constructive manner
- ▶ Demonstrates personal integrity and organizational independence
- ▶ Exercises personal leadership
- ▶ Participates actively in team efforts

❑ Continuous Learning

Promotes self improvement through continuous learning, which contributes to organizational improvement and/or self-fulfillment.

- ▶ Maintains and enhances professional competencies
- ▶ Encourages organizational learning
- ▶ Develops others

Rewards System - We are implementing an awards process that aligns our rewards system with our mission, goals, and values. The process allows staff participation in the awards process by: (1) creating an OIG Awards Board comprised of staff from various levels in our organization and different organizational components to make recommendations on the OIG's highest awards, (2) allocating managers an awards budget, (3) providing the means for peers to nominate other non-supervisory employees for awards, and (4) publicly recognizing OIG employees receiving the OIG's highest awards at an annual ceremony. The process encourages the team awards to promote teamwork and our "one OIG" concept.

Communications - Open communications is one of our core operating systems values, as it is critical to building trust for OIG-wide teamwork, and mutual understanding between the OIG and its customers and stakeholders. To establish a system for communicating the OIG goals, priorities, directions, and values to all employees, we deployed a communications strategy. Our strategy outlines the OIG's expectations for dissemination of information.

Organizational Realignment - OIG is aligned to support its organizational values and goals. By using a multi-disciplinary approach, across the Agency Goals and geographic Regions, we are capable of providing and influencing higher impact results. We are organized to focus on two critical parts of our business -- our people and our systems. These two areas will help us to achieve our goals of: (1) enhancing the diversity, innovation, teamwork, and competencies of our people; and (2) improving the quality, cost effectiveness, timeliness, and results of our products and services.

Integration of High Performance Culture - To improve overall organizational effectiveness, we have adopted an organization model, built on the foundation of valuing people and their contributions to serving the needs of our customers. Accordingly, all of our employees are responsible for contributing to the leadership and management of the OIG and the overall achievement of the OIG goals. Our employees will be involved in all aspects of our work - planning, executing, evaluating results, and identifying innovative ways of improving our business results. We will increase the use of multi-disciplinary teams to enhance the value of our products and services.

Knowledge and Information Management Systems - The OIG is developing an integrated information technology plan and architecture supporting the OIG business products, services and internal processes and infrastructure. We will maximize our own efficiency for attainment of our goals and objectives by: (1) promoting the application of advanced electronic techniques, (2) developing information systems for timely measurements and accountability, (3) streamlining acquisition of technology resources, (4) providing comprehensive data for our staff, and (5) providing customers with easier access to OIG products. We will invest in hardware, software, training, and contract services by prioritizing needs against alternative solutions and potential returns on investment. We will research best practices in the industry, seek and leverage opportunities for collaborative efforts, and maintain up-to-date information on staff competencies.

KEY EXTERNAL FACTORS THAT MAY AFFECT ACHIEVEMENT OF OUR GOALS

A World of Change - The Factors Influencing Our Results

Key External Factors

**Demographics/Social
Economic/Resources
Political/Legislative Environment
Technology**

Threats

**Natural Disasters
Terrorism
Illegal Acts
International Conflicts**

Environmental change and risks are closely related to demographic, social, economic, cultural and technological changes. The OIG is dependent upon its ability to influence the Agency and other parties to take appropriate action. Our ability to influence improved environmental quality and human health will be affected by some of the following external and environmental factors:

Demographics/Social

- ▶ EPA's ability to influence third parties on whom it heavily relies to accomplish its mission;
- ▶ Population growth, increasing environmental degradation and demand for natural resources; and
- ▶ Significant shifts in population to areas with insufficient environmental protection or infrastructure.

Economic/Resources

- ▶ Changes in the economy and the Federal budget outlook and the resulting impact on funding for environmental programs and the OIG; and by private, state, and municipal environmental investment;
- ▶ Difficulties in hiring and retaining staff with appropriate expertise (auditors, investigators, computer specialists, evaluators, economists, engineers, attorneys, and scientists) in an expanding economy; and,
- ▶ Availability of and need for natural resources, especially in rural or sparsely populated areas.

Political/Legislative Environment

- ▶ Changes in the role of the Federal government, including the shift toward state/local responsibility;
- ▶ Consistency of funding;
- ▶ Changes in environmental legislation, moving away from "stovepipe" laws over each separate media or risk, in preference to more holistic, watershed, regional, or ecosystem based legislation;
- ▶ Expanded environmental risks or better solutions from actions of the international community;
- ▶ Public preference, trade-off, or compromise between environmental and economic choices; and,
- ▶ The role of Federal IGs, public demand for accountability, and the capacity of State governments.

Technology

- ▶ Technology, which provides greater access to data and greater input to environmental decision-making, and greatly impacts how we carry out our work and influence change;
- ▶ Changes in environmental technology and alternative energy sources;
- ▶ New medical and scientific practices providing better identification of risks and linkages to their causes and prevention or treatments; and,
- ▶ Risks from new technology-driven sources, like bio-engineered foods and electro-magnetic radiation.

Threats

There is always the possibility of uncontrollable and unforeseen threats that could adversely affect our results. Threats can be contrived domestically (e.g., fraud) or internationally (e.g., tyranny and military conflict). There will always be the peril of naturally occurring disasters and the result of environmental neglect or degradation. We can only be cognizant of such threats, regardless of their probability, and be flexible and prepared to take contingency actions.

BENCHMARKING OUR RESULTS

Our annual performance plans will provide annual goals to reach our longer-term strategic targets. We will use fiscal 2001 as the baseline from which we will adjust, as necessary, our long-term targets. Our goals for fiscal years 2002-2005 will be based on fiscal 2001 results. During fiscal 2001, we will also refine our measures to better quantify the value of our products and services. In particular, we will develop additional measures to evaluate and report on our **results in contributing to environmental quality and human health**, such as: legislative, regulatory, policy, and procedural changes leading to indicators of reduced health risks and better environmental quality.

Linkage to the EPA Strategic Plan - Goal 10. *Effective Management*

The OIG, as part of the EPA, is included in EPA's Strategic Plan, Goal 10. (Effective Management). To align with that Plan, the OIG developed an objective, subobjective, and "vital few" measures architecture. This architecture represents a composite or summary of the complete version of OIG goals, objectives, strategies, and measures provided in this OIG Strategic Plan.

Currently, the information we use to track and measure our performance is collected by OIG staff using strict professional standards, and is maintained in an internal OIG tracking system. We anticipate that we will need to rely on Agency and other external systems to help measure the impact of our work on environmental quality and human health.

IMPROVING OUR PERFORMANCE

In developing this strategic plan, we consulted with both our Agency and Congressional customers, as well as OIG staff, to develop our goals, strategies, and measures. We will continue our consultations throughout the duration of this plan and use the feedback we receive to revise our plans and improve our products and services. We will continue to use customer and staff feedback along with internal assessments, program evaluations, and external peer reviews to improve our work and its results. We have a system to collect data from Agency managers about the timeliness, relevance, and usefulness of our products and services and plan to implement a process to obtain similar feedback from our Congressional customers. We will also continue conducting periodic operational evaluations to improve the relevance, timeliness, cost-effectiveness, and overall quality of our work

Specific Suggestions for Improving OIG Products and Services From Customer & Staff Surveys

<ul style="list-style-type: none"> ★ Improve balance by recognizing: actions taken, problems resolved, different points of view, and what is working ★ Develop “big picture view” of potential application and impact of results ★ Improve followup on IG work with Agency and seek progress reports ★ Transfer knowledge, findings and improvement recommendations ★ Use more briefings, to explain and educate on needed actions and opportunities ★ Improve program knowledge 	<ul style="list-style-type: none"> ★ Participate in EPA new employee orientations and give briefings on IG Act ★ Develop shorter report formats and briefing papers for external stakeholders ★ Expand advisory services ★ Help Agency improve staff and management competencies and accountability ★ Partner more with stakeholders and clients in collaborative approaches and solutions ★ Expand use of technology and accessibility ★ Use prospective approach to problems
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Validating Our Work and Information Collection

On a 3-year cyclical basis, assess OIG offices’ compliance with professional standards and the efficiency and effectiveness of OIG programs and operations. Areas for review include accomplishments, quality of work, and impact of products and services. During these assessments, staff review a sample of completed assignments to determine adherence to standards and use the results to improve OIG operations. Future internal assessments will include analysis of how well we are achieving our goals and focus on identifying ways to improve our results. The OIG will continue to use the results from external peer reviews to provide an independent assessment of our adherence to auditing standards. Additionally, GAO reviews our annual financial statement audit work to confirm that it can be relied upon when it reports on the annual audit of the United States Government’s Financial Statements. We will use GAO comments to improve OIG performance.

In accordance with the Federal Managers’ Financial Integrity Act of 1982 (P.L. 97-255), the OIG annually submits an assurance letter to the EPA Administrator reporting on whether the OIG’s management controls reasonably protect OIG programs from waste, fraud, abuse, or mismanagement.

EPA'S 10 GOALS

Clean Air - The air in every American community will be safe and healthy to breathe. In particular, children, the elderly, and people with respiratory ailments will be protected from health risks of breathing polluted air. Reducing air pollution will also protect the environment, resulting in many benefits, such as restoring life in damaged ecosystems and reducing health risks to those whose subsistence depends directly on those ecosystems.

Clean and Safe Water - All Americans will have drinking water that is clean and safe to drink. Effective protection of America's rivers, lakes, wetlands, aquifers, and coastal and ocean waters will sustain fish, plants, and wildlife, as well as recreational, subsistence, and economic activities. Watersheds and their aquatic ecosystems will be restored and protected to improve public health, enhance water quality, reduce flooding, and provide habitat for wildlife.

Safe Food - The foods Americans eat will be free from unsafe pesticide residues. Particular attention will be given to protecting subpopulations that may be more susceptible to adverse effects of pesticides or have higher dietary exposures to pesticide residues. These include children and people whose diets include large amounts of non-commercial foods.

Preventing Pollution and Reducing Risk in Communities, Homes, Workplaces, and Ecosystems - Pollution prevention and risk management strategies aimed at cost-effectively eliminating, reducing, or minimizing emissions and contamination will result in cleaner and safer environments in which all Americans can reside, work, and enjoy life. EPA will safeguard ecosystems and promote the health of natural communities that are integral to the quality of life in this nation.

Better Waste Management, Restoration of Contaminated Waste Sites, and Emergency Response - America's wastes will be stored, treated, and disposed of in ways that prevent harm to people and the natural environment. EPA will work to clean up previously polluted sites, restore them to uses appropriate for surrounding communities, and respond to and prevent waste-related or industrial accidents.

Reduction of Global and Cross-Border Environmental Risks - The United States will lead other nations in successful, multi-lateral efforts to reduce significant risks to human health and ecosystems from climate change, stratospheric ozone depletion, and other hazards of international concern.

Quality Environmental Information - The public will have access to information about environmental conditions and human health to assist in informed decision-making and help the public assess the general environmental health of their community. The public will also have access to information and educational tools that provide for the reliable and secure exchange of quality environmental information.

Sound Science, Improved Understanding of Environmental Risk, and Greater Innovation to Address Environmental Problems - EPA will develop and apply best available science for addressing current and future environmental hazards and new approaches to improving environmental protection.

A Credible Deterrent to Pollution and Greater Compliance with the Law - EPA will ensure full compliance with the laws intended to protect human health and the environment.

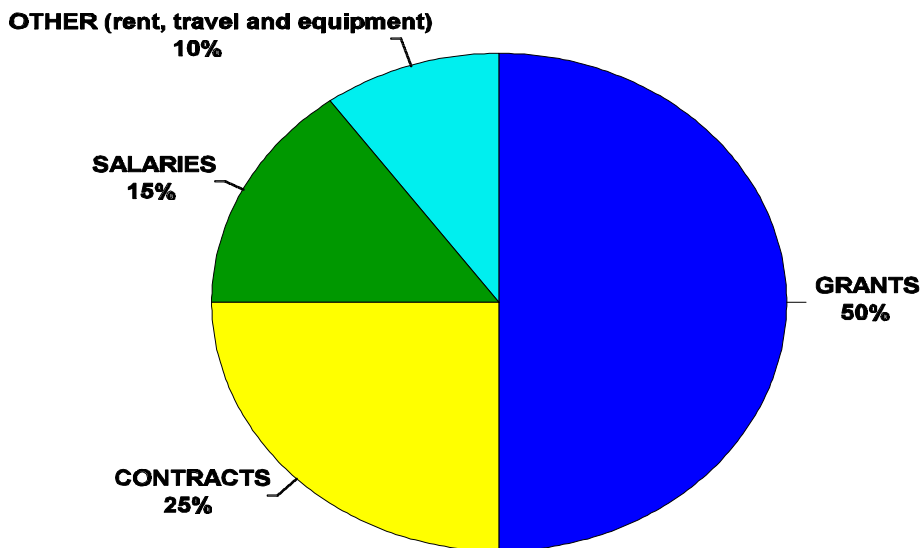
Effective Management - EPA will maintain the highest quality standards for environmental leadership and for effective internal management and fiscal responsibility by managing for results.

EPA'S 2001 BUDGET BY GOAL

EPA Goal	Dollars in Millions	Workyears
Clean Air	\$648	1,857
Clean and Safe Water	2,755	2,673
Safe Food	86	712
Preventing Pollution	301	1,186
Better Waste Management	1,830	4,402
Reducing Global and Cross-Border Risks	425	533
Quality Environmental Information	185	809
Sound Science	329	1,049
Credible Deterrent to Pollution	404	2,573
Effective Management	464	2,256
Totals	\$7,427	18,050

Source: EPA's Fiscal Year 2001 Budget Request

EPA'S UTILIZATION OF ITS RESOURCES



Examples of Cross-Cutting Environmental Issues With Other Federal Agency's OIGs and GAO

Agency/Issue Area	Water	Air	Pesticides/ Safe Food	Waste Management	Global/ Climate	Other Enforcemnt	Other GPRA	Other Labs	Other Grt/Cntrt
EPA-OIG	✓	✓	✓	✓	✓	✓	✓	✓	✓
Energy-OIG	✓	✓		✓					✓
Defense-OIG	✓	✓		✓	✓		✓	✓	
Defense-DCIS	✓	✓		✓		✓		✓	
Army Audit				✓					
Navy Audit	✓	✓		✓		✓			✓
DOT-OIG	✓	✓		✓		✓			
DOJ-OIG	✓	✓		✓		✓		✓	
USPS-OIG	✓	✓		✓					
DOI-OIG	✓	✓	✓	✓		✓			
GSA-OIG	✓	✓		✓					
HHS-OIG			✓	✓					
USDA-OIG	✓		✓	✓					
AID-OIG	✓	✓		✓	✓		✓		✓
DOC-OIG	✓				✓	✓		✓	
NASA-OIG		✓		✓		✓			✓
NRC-OIG	✓			✓					✓
GAO	✓	✓	✓	✓	✓	✓	✓		✓

SOURCES OF INPUT FOR THE OIG STRATEGIC PLAN



MAJOR LAWS AFFECTING EPA AND OIG WORK

Inspector General Act of 1978, as amended*
 Clean Air Act
 Toxic Substances Control Act
 Clean Water Act
 Safe Drinking Water Act
 Endangered Species Act
 National Environmental Policy Act of 1969
 Federal Insecticide, Fungicide, and Rodenticide Act
 Food Quality Protection Act*
 Federal Food, Drug, and Cosmetic Act
 Comprehensive Environmental Response, Compensation and Liability Act*
 Emergency Planning and Community Right to Know Act
 National Environmental Education Act
 Environmental Research, Development and Demonstration Act
 Solid Waste Disposal Act
 Pollution Prevention Act
 Resource Conservation and Recovery Act
 Oil Pollution Act of 1990
 Ocean Dumping Act
 Marine Protection, Research and Sanctuaries Act
 Federal Technology Transfer Act
 Federal Advisory Committee Act
 Federal Facility Compliance Act
 Freedom of Information Act/Privacy Act
 Paperwork Reduction Act
 VA, HUD and Independent Agencies Appropriations Acts
 Chief Financial Officers Act*
 Government Performance and Results Act
 Federal Financial Management Improvement Act*
 Competition in Contracting Act
 Federal Grant and Cooperative Agreement Act
 Federal Managers Financial Integrity Act
 Clinger-Cohen Act
 Contract Disputes Act
 Federal Claims Collection Act
 Federal Records Act
 Single Audit Act
 Anti-Deficiency Act
 Whistle-blower Protection Act
 U.S. Title 18 (Criminal Code)
 Ethics in Government Act
 Computer Fraud and Abuse Act/Computer Security Act

* Laws that contain provisions that mandate EPA-OIG work.

We request your input, comments, and questions concerning this Strategic Plan or anything about the EPA Office of Inspector General. Please let us know what we are doing well, and how we can better serve the our customers. This Plan, information about the OIG, and other OIG products are available on our web site, www.epa.gov/oigearth.

For questions, comments, or to obtain copies of this Plan, please contact any of the following:

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